

Labour Responses to Globalization: The Australian Experience

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This essay challenges the triumphalist claims made by the proponents of globalization by considering its effect on Australia while Labor governments held office from 1983 to 1996, using a discursive approach. As a discourse, globalization is related to neo-liberal and technocratic discourses (see Waterman, 1998). Under a neo-liberal, technocratic hegemony, the Australian Labor governments of 1983–96 increased social inequity and drove Australia towards a possible Brazilian or Asian economic crisis. The essay is in six parts: a short description of Australian political economy from 1983 to the present; a short description of technocratic discourse; a consideration of labour's role within a globalized hypercapitalism; a description of neo-classical globalist discourse during Labor's rule; an explanation of why globalization was bad for Australian workers; and a review of the implications for labour of this phenomenon.

AUSTRALIAN ECONOMY UNDER LABOR: 1983–96

From March 1983 to March 1996, Labor governments led by Bob Hawke and Paul Keating¹ won five elections to govern Australia in the longest stretch of Labor rule in the nation's history. Profound changes were wrought in the nation's economy. Although a large segment of the trade union movement, especially the metal trade unions, advocated the Swedish corporatist model (ACTU/TDC, 1987), the Labor government embraced free trade externally, and deregulation and privatization domestically. Crucial to gaining trade union support for this ideological backflip were the claims made about Australia becoming a 'value-added' economy rather

than relying on resource exports. However, Australia continues to run up massive trade deficits with monthly current account deficits of around \$1.5 billion. In April 1999, for example, the monthly deficit was \$1.9 billion. The trade deficit represents nearly 6 per cent of GDP. Net foreign debt by March 1999 was \$241.6 billion, 41 per cent of GDP, and the servicing ratio is 9.6 per cent (Aylmer, 1999b: 1).

The then Labor Opposition and the Australian Council of Trade Unions (or ACTU, the peak union council) signed an 'Accord' in February 1983, which was instrumental not only in winning the March 1983 election for Labor, but also in providing a public perception of industrial harmony between the government and the union movement for the whole period of Labor rule until 1996 during which there were seven 'Accords'.

Once in office, the Labor government quickly assembled an extra-parliamentary 'summit' of delegates drawn mostly from (big) business, the trade union movement, state and local governments, and some social stakeholders (such as those representing social services). The communiqué of this National Economic Summit signed by all at the end of the Summit drew the labour movement (government and unions) into a capitalist orthodoxy characterized by neo-classical economics and technocratic control. Ironically the Hawke-Keating Labor governments introduced a radical neo-liberal policy agenda that deeply wounded Australian trade unionism, possibly mortally. Indeed, such was Labor's conversion that one of its most trenchant right-wing critics said:

The staggering thing about the degree of change in the industrial debate is that I can't recall an instance of a democratic government moving with the swiftness that this government has moved... The Government has reacted to our policy agenda to an incredible degree (Randall and Williams, 1986: 16).²

By the time of Accord Mark II in 1985 the Australian union movement had committed itself to accepting responsibility for strengthening the economy. The Accord identifies the 'trade union movement's strong record of compliance...establish[ing] a basis for the continuation of low industrial disputation, international competitiveness, strong economic growth and moderating inflation'.³ The ACTU leadership capitulated easily, accepting that

their restraint would 'lock in' the presumed benefits of a rapid devaluation in 1985 which had been caused by the market response to the underlying balance of payments problem that had been occurring for some time, as a result of declining terms of trade and an eroded manufacturing base. Yet when the currency markets finally realized this and sold off Australian dollars, the conservative response was to blame the workers' lack of productivity or excessively high wages. The Labor movement provided no dialectical challenge at all to the neo-classical economic orthodoxy.

The Hawke-Keating governments vigorously implemented economic rationalist policies (privatization, deregulation, enterprise bargaining). Rees (1995) claims that economic rationalists 'captured' the Labor governments, and Tomlinson (1996: 7) asserts that Keating became 'a captive of economic fundamentalism' in Treasury. However, economic rationalist advocates argue that the Australian economy was in such dire straits that these measures prevented terminal economic decline for Australia and restored living standards (although there is little interest shown in distributive justice).⁴ James, Jones, and Norton (1993) claim that 'most economic rationalists believe that Australia was at a critical turning point in its history and that the serious and immediate economic problems we faced reflected a long-term decline in our economic performance' (p.xxiv; see Blandy, 1993: 35; Norton, 1995: 230).

These Labor governments set up an ideological framework that facilitated neo-liberal policies in their own time and allowed the conservative Howard government that replaced it to simply elaborate these policy directions when Labor lost office. Crucial to this ideological framework, I argue, was the formation of a technocratic discourse which incorporated neo-liberal principles including neo-classical economic theory. Labor policy was 'marked progressively by the development and implementation of a technocratic rationality' (Luke, Nakata, Singh, and Smith, 1993: 140) which, according to Stewart (1990: 140), ignored and silenced the distributional implications.

FEATURES OF TECHNOCRATIC DISCOURSE

Using a critical discourse method (Fairclough, 1992; Halliday, 1994; Halliday and Martin, 1993) to characterize the technocratic

discourse used by the Labor governments, I will show that globalist claims are inextricably linked with neo-liberal ideology and technophilic hyperbole to produce questionable 'mantras'.

Technocratic Discourse

Contemporary technocratic discourse draws interdiscursively from scientific, technological, and neo-classical economic discourses. Its ideological and hegemonic effect is to eliminate dialectical political encounter (Saul, 1997; Bewes, 1997). I will briefly elaborate the discursive features of technocratic discourse.⁵ The term 'technocracy' is used here in the sense suggested by Meynaud (1968) to indicate that modern state power is shared by the government in power, but also increasingly by a bureaucracy, and a technocracy comprising economic planners, strategic thinkers, and scientific and social scientific experts.⁶ Technocrats transform 'discourses of expert knowledge into discourses of social policy' (Lemke, 1995: 58). Marcuse identifies them as 'makers of politics and purveyors of mass information' (1968: 28). Rifkin claims that the technocracy are the 'catalysts of the Third Industrial Revolution and the ones responsible for keeping the high-tech economy running' (1995: 175).

Apparent objectivity: What most characterizes technocratic discourse is that, although it has a hegemonic function, it often consciously represents itself as a supplier of neutral and objective 'facts', free of all interests and values except truth, used to decide policy (Lemke, 1995: 70). It does so by appearing to be scientific and by presenting its epistemic claims as objective knowledge (Lemke, 1995: 69). The technocratic elite claims a right to rule on the grounds of its ability to use its expert knowledge to solve social problems (70–71). When realized in government policies, however, they produce or reproduce structural equality or inequality.

This apparent objectivity disingenuously depoliticizes the discourse (Marcuse, 1968: 79), and limits effective participation to those who speak and understand technocratic language (see Bewes, 1997: 10). Paradoxically, however, although an exclusionary discourse, its textual traces must be widespread if it is to be hegemonically effective. It links itself to 'everyday' life (see Bewes, 1997: 10; Saul, 1997: ch.2; Marcuse, 1968: ch.4), becoming 'the jargon of authenticity' (Adorno, 1973). Like scientific discourse, technocratic discourse takes the familiar and reconstrues this into

abstract and hypothetical notions (McKenna, 1997; see Marcuse, 1968: 81); unlike scientific discourse, these abstract notions are repeated as 'mantras' within public discourse.

The word *globalization* is a typical linguistic condensation with mantric effect. In tandem with certain others words such as *communication technology* and *trade liberalization* (see Bauman, 1998; Graham, 1998; Saul, 1997), the underlying claims go unchallenged. At the same time, in the workplace, unions repeated mantras of *enterprise*, *flexibility*, and *empowerment*. Such mantras normalize ideological abstractions by construing the hypothesized ideology as fact, enclosing the ideology 'within the circle of conditions prescribed by the formula' (Marcuse, 1968: 79). The ACTU played a vital role in disseminating the neo-classical and technocratic mantras of the Labor government.

As nouns, technocratic mantric words are crucial to the success of the discourse (Adorno, 1973: 6–10; Bewes, 1997: 10; Lemke, 1995: 59–66; Marcuse, 1968: 79–83; Saul, 1997: 64) because they turn sentences into declarations to be accepted: the noun 'repels demonstration, qualification, negation of its codified and declared meaning' (Marcuse, 1968: 79). As Halliday and Martin (1993: 39) contend, these nouns are 'less negotiable, since you can argue with a clause but you can't argue with a nominal group' and so help close debate.

The more they are used, the more meaningless mantric nostrums become. Nevertheless, they hegemonically infuse everyday language, reinforcing and naturalizing the overarching rationality of a neo-classical political-economic system. Such mantric notions include *enterprise*, *efficiency*, *globalization*, *productivity*, *international competitiveness*, *trade liberalization*, *the information economy*, and so on. This condensation into mantric words allows technocratic discourse 'to tailor the apparent scientific "facts"' to the needs of its policy arguments (Lemke, 1995: 75). Juxtaposed with other public policy words, they form a 'Holy Trinity' of words): *trade liberalization*, *financial markets*, and *communication technology* (Saul, 1997: 20–21).

Even apparently innocuous words like flexibility entered the political lexicon when the Labor government used it to justify increased centralization of the wage fixation process. Industrial Relations Minister Ralph Willis, defended this process arguing that the wage system was sufficiently flexible to adapt to changing

circumstances. Keating asserted that centralized wage fixing would provide for downward flexibility of wages and that flexibility was the very essence of the Prices and Incomes Accord. Keating described floating the exchange rate as a *flexible* policy option, and deregulating the financial markets as providing the maximum *flexibility* in financial markets. However, the conservatives used *flexibility* repeatedly, linking it with downward projection of wages and conditions. John Howard, for example, demanded that the Treasurer 'has to provide a wages system which is flexible enough to accommodate the different levels of affordability of Australian industry'. By the 1990s, Labor was using the notion of flexibility to mean the same thing as the Conservatives. In 1993, Industrial Relations Minister Laurie Brereton, introducing the new Industrial Relations Reform Bill, stressed that the bill is designed to produce a more flexible award system:

The more widespread insertion of enterprise flexibility clauses into awards will be encouraged. This will allow agreements to be reached at individual enterprises or workplaces to vary award provisions in line with their particular needs, subject to the employees not being disadvantaged.

Thus, by linking *flexibility* with *enterprise*, a neo-liberal term, Labor shifted flexibility into an opposing discourse. This was common in Labor's rule.

Technocratic discourse assumes unproblematically the efficacy and desirability of new technology (Graham, 1998; Saul, 1995). Its presence and trajectory are never questioned: it is inexorable, and manifests immutable and self-evident market economic laws (Graham, 1998; Saul, 1997). According to Pusey, technocratic proponents see the operations of market and technology overcoming the 'stubbornly resisting sludge' of civil society (1996: 69–70). Linguistically, people are removed from sentences, in the same way that they are removed from the technological and political-economic models that technocrats use to formulate policies. In keeping with such a rationale, technocratic texts are characterized often by 'agentless passive clause structures' (Lemke, 1995: 60) excluding human activity. For example, the Australian Department of Foreign Affairs and Trade document, *In the National Interest*, states that globalization:

is driven by many factors, of which technology, the related mobility of people, goods and ideas, and a liberal trading environment are perhaps the most important (DFAT, 1997: 1).

Although there is a reference to humans in this sentence, *mobility of people*, it is as an economic concept. Globalization is represented as an inevitable outcome of a set of neo-liberal phenomena which are implied in both the premise and conclusion.

Furthermore, technocratic discourse tends to be tautologous in two ways. First, the pseudo-scientific basis on which a statement is based rests upon categorizations where the definition determines the categorization of the phenomenon: that is, the definition contains, at least in part, the phenomenon being described. The following extract from the Hilmer Report (Hilmer, 1993) upon which both the Labor and Conservative governments based their microeconomic reforms provides a good instance of such tautology:

As the Prime Minister has observed, 'the engine which drives efficiency is free and open competition.' Competition is also a positive force that assists economic growth and job creation. It has triggered initiative and discovery in fields ranging from the invention of the telephone to the opening of new retail store and small manufacturing operations. In fact, it is these developments in smaller firms, prompted by the belief of these firms in their ability to compete, that are the main source of both new jobs and value-added exports.

Hilmer presents here a tortured form of syllogism that rests on shaky, but clearly ideological, premises. In short, Hilmer proposes the following logic:

1. Competition leads to efficiency.
2. Competition leads to growth and job creation.
3. Competition (renamed as positive force) triggers initiative and discovery.
4. Initiative and discovery (like Bell's) creates smaller firms.
5. Smaller firms are competitive.
6. Smaller firms create new jobs and more competition (return to 1).

The optimistic claims made by Hilmer about the effect of such reforms are simply not borne out by the results to date (see Quiggin, 1997d).

LABOUR, GLOBALIZATION, AND HYPERCAPITALISM

Globalization occurs within the context of contemporary hypercapitalism (Graham, forthcoming; Kennedy, 1998; Agger, 1989; Horkheimer and Adorno, 1944/1998), which is characterized as the time of capitalism's ostensible triumph, but also a time when it responds to such contradictions as the monopolizing tendency, the massive levels of unemployment, and its commodification of increasingly abstract 'products' (see Bonefeld and Holloway, 1995). The most significant feature of hypercapitalism is the increasingly abstract nature of the commodities it produces, particularly the 'information' economy and speculative capital flows. Under hypercapitalist conditions, economic growth is increasingly 'alchemic' and 'illusory' (Graham, 1998), and its abstract financial markets are 'parasitic' (Kennedy, 1998). Globalist protagonists speak fervently of an *information or knowledge economy* (see Agger, 1993; Fukuyama, 1995; Kellner, 1989: 212; Kennedy, 1998). The four characteristics of this globalized hypercapitalism (what some call postmodernity) are:

- Capital movement has been globalized and its velocity logarithmically increased (Rifkin, 1995).
- How goods and services are produced has changed significantly.
- Labour processes have been remodelled in various ways in an attempt to maximize output.
- Consumers and consumption have been consciously manipulated in an attempt to significantly alter demand size and type.

Capital movements: Because capital is now mobile and speculative (Sherden, 1998; Saul, 1997: ch.4), globalization has changed the power relations between nation-state and corporation; and markets have been freed of many government regulations (Thurow, 1996; Brown, 1997). Although niche production has increased, there is little evidence of transnationals losing their enormous significance

in global production (see Sklair, 1995). Consequently, owners and managers of capital in advanced industrial countries can determine the type and size of production within smaller and less-developed countries like Australia to such an extent that many nation-states compete to entice capital (Reich, 1992). This clearly affects employment and working patterns within nation-states (Bryan, 1995; Rifkin, 1995; Waterman, 1998).

This mobility also obviously weakens the bargaining capacity of workers and nations, as the choice may often be a low-paying job or no job at all. Western corporations for at least 20 years now have been 'retreating from off-shore manufacturing in developing countries' to 'sites in metropolitan countries where market access is optimal and ever increasing pools of immigrants and refugees supply the cheap labour' (Ong, 1991: 304). The effect of this can be seen most obviously in Australia's textile, clothing, and footwear industry which relies strongly on low-wage workers (mostly immigrant women) in the legitimate sector and a large black market of outsourcing, again of mostly recent immigrant women. The Textile, Clothing, and Footwear Union's 1994 national research project concluded that there were around 300,000 clothing industry outworkers typically working '12 to 18 hour days, 7 days a week for about a third of the award rate of pay, and with no access to even the minimum conditions enjoyed by factory workers' (TCFUA, 1995: 4).

As well, globalized speculative financial markets now affect domestic exchange rates, stock prices, commodity prices, and interest rates by factoring in global rather than national factors. The 1998 'Asian crisis' shows how brutally this works. Often the impact on a nation's share prices or currency is unrelated to factors over which governments have little or no control. Because speculative shifts occur in nano-seconds, and are often triggered by computer programs making human involvement even more disembodied, they produce an economic climate that is perhaps more complicated and unpredictable than it ever was.

Few nations could have matched the vigour with which the Hawke government, under the strong guidance of Treasurer Keating, deregulated the banking and international finance markets within Australia in 1983 and 1984. With these 'free-market' forces unleashed, and with the technological advances facilitating international trade in stocks and commodities, the national

boundaries of control have been severely compromised. The outcomes remain highly questionable.⁸ Foreign direct investment in Australia, the type most likely to set up new plant, fell dramatically from 50 per cent of foreign investment in 1979–80 to 15 per cent five years later. However, increased indirect lending increased the debt-servicing costs (Stretton, 1987: 44). As nation-states try to make themselves attractive to global capital they have been sucked into a bidding competition for capital flows. In Australia, states bid against each other to provide incentives for transnational capital. Federally, the Labor government criticized the previous conservative administration for 'the biggest post-war blowout in wages'. By contrast, wage control and fiscal rectitude (labelled the 'trilogy') were to be part of Labor's attempt to make Australia more competitive (McKenna, 1999).

A consequence of these changes, says Allen (1992 in DuGay, 1996: 2), is that the identity of a modern national economy has become problematic (see Kennedy, 1998; Graham, 1998; Thurow, 1996; Reich, 1992). The global scale of many economic activities has reduced the agency and integrity of national economies which have become 'sites across which international forces move at varying rates' (DuGay, 1996: 2). For example, France's attempt to ban encryption technology is sneered at by globalist advocate, Thomas Friedman (1999), who says that if France were a stock he'd sell it, presumably because it refuses to acquiesce to all the requirements of a so-called globalized economy.

Production of goods and services: There has been a prodigious shift in productive output from manufacturing to services. Failure to acknowledge this, says Bagguley (1991: 166), may well lead us to a 'narrow and possibly misleading basis for a general account of the changing experience of employment'. Nevertheless, although production has been shifting to information technologies from the traditional manufacturing base (Ikeda, 1996; Strange, 1994; Hall, 1996: 224), changes within manufacturing are still significant.

Labour processes: These changes in the applications of technology and capital impact heavily on the deployment and mode of labour, on employer–employee relations, and on employee disposition. Corporations select different labour pools according to varying needs and circumstances, thereby producing different labour

relations within and between countries (Lipietz, 1986). Invariably, national wages and labour conditions are affected by the degree to which the labour sector is related to international conditions. Thus the more integrated to international conditions is the employing enterprise, the more variability is likely to occur within labour markets according to changing needs and conditions. This imposes a flexibility 'imperative' on not only the internationally linked enterprises, but also those less obviously linked; for example, to provide an 'adaptable' and 'efficient' infrastructure attractive to international capital, employers and governments might apply these flexibility principles to railways, telecommunications, and finance industries and its workers.

This 'direct confrontation with the rigidities of Fordism', or flexible accumulation (Harvey, 1989: 147) affected the Australian labour force in Australia during the 1980s in three significant ways. First, flexible employment patterns increased part-time, fixed-contract and short-term working, where employees have even less involvement in workplace decisions (Boreham, 1992; see McRobbie, 1996; Murray, 1989). Australian employment patterns from 1983 to 1996 displayed a consistent rise in the proportion of the labour force employed in part-time work and a continual decline in the proportion in full-time work. In 1993, 17.5 per cent of the labour force was employed part-time and 82.5 per cent full-time. Part-time workers accounted for 20.1 per cent in 1988, 23.9 per cent in 1993, and 24.8 per cent in March 1996 (ABS 6203.0, *Labour Force, Australia*, March 1993 and May 1996). As well, private firms, the public service, and local governments continue to contract out functions which are not just ancillary (such as cleaning, mowing parks), but which are staple functions (for example, use of accountancy and legal professionals by Tax Office and Attorney-General's Department).

Second, labour processes have become more flexible. In Australia, this was achieved through productivity trade-offs between unions and employers that reduced job demarcations and encouraged 'multi-skilling' (see Buggy, 1992). From 1991, even more demands were placed on the unions to provide greater flexibility through 'enterprise bargaining' rounds which could be struck at the enterprise level. Among the core objectives of this new award-setting mechanism was the demonstrable improvement of productivity, flexibility and profitability for the firm or

organization (Blain, 1993). Ironically, a number of studies have indicated that poor management, not the trade unions, hampered the implementation and outcomes of flexibility arrangements in the Australian work force (Boreham, Hall, and Harley, 1996; Harley, 1995; Rimmer and Watts, 1994; Fells, 1993; Pearson, 1993; Green and McDonald, 1991; Bramble, 1988). Bramble (1988) concludes that 'intensified management control and employment losses' have characterized the Australian workplace in the 1980s. Green and MacDonald (1991: 583), using the Australian Workplace Industrial Relations Survey (AWIRS) of 2300 establishments, found that 'the majority of Australian companies, left to themselves, would make little progress' in getting efficiency gains through flexibility arrangements and that, paradoxically, 'such gains would be more likely under a system of compulsory arbitration'.

Third, in a broader sense, flexibility arrangements could be seen as an aspect of global fragmentation. That is, traditional work forces are fragmented by changed patterns of behaviour (for example, increased numbers of women; part-time work; multi-skilling) and by multiple locations.

Consumption patterns and worker identity: Capitalism's growth imperative has led to serious attempts to manipulate the patterns and amount of consumption (Coyle, 1998). Because individual consumption is regarded within a liberal capitalist framework as an act of choice within a free enterprise market, those who promote consumption do so by 'instrumentalizing' the autonomy of the consumer (Rose, 1992: 155). Ideologically this is construed as actors maximizing quality of life through choosing goods and services that determine a lifestyle. Each good or service has both utility and cultural-capital, or signifying value in Bourdieuan (1984) terms (see Jameson, 1981; Featherstone, 1991).

Bauman (1987) argues that the hegemonizing discourse of the market has become so replete that the privileged position of the producer has given way to the 'sovereignty of the consumer' and that 'civic culture' has given way to 'consumer culture'. The implication of this for Bauman (1987) and for Heelas (1991) is that the 'individualistic self-ethic is likely to undermine the psychological valiancy of the relational, "other directed" moral fabric' that is implied in active citizenship (Heelas, 1991: 85). Thus, even identity as a worker, or solidarity as part of union collectivity is supplanted

by the self-orientation of consumption. According to DuGay (1996), in our current enterprise culture, 'freedom and independence emanate not from civil rights but from individual choices exercised in the market' (p.77). This enterprise discourse creates a market-based universe at the centre of which is the 'active "enterprising" consumer', construed as 'a self-regulating, individual actor seeking to maximize the worth of his or her existence to him/herself through personalized acts of choice' (p.80). What is good or virtuous in this universe 'is determined by the apparent needs, desires and projected preferences of the "sovereign consumer"' (p.77), not by a more public or collective oriented ethic.

When, in 1988, the Labor government scrapped the Conciliation and Arbitration Commission, with its power to arbitrate awards on a national basis for craft-based unions, and replaced it with the Industrial Relations Commission empowered only to ratify enterprise-based awards, an entirely new set of practices and relations of power was set in place. Whereas the previous body maintained basic wages and conditions, ensured relativities, and determined wages on the reasonable needs and desires of the worker, the new body does little more than ratify agreements at the level of the enterprise in a fragmented labour market.

In summary, the impact of the global economy was:

- Australia, as a smaller nation must entice capital flows to it. Fundamental to this is a demonstrable commitment to neo-classical economics.
- The parameters of monetary and fiscal policy are set largely extraneously.
- Capital inflow is hotter and less committed than at any time this century.
- 'Flexible' workers have less security than ever.
- Collectivist ideals of civic culture have been supplanted by an individualist ethic.

GLOBALIST DISCOURSE IN AUSTRALIAN POLITICS 1983-96

Labor's abandonment of labourist discourse and its replacement by neo-liberalism can be understood largely through its response to

the external sector of the economy: globalization and international competitiveness. The discourse of Labor's response to the global market works displayed four characteristics:

- It gave the market anthropomorphic features.
- Globalization seemed to reveal serious economic flaws.
- The market mechanism was conflated with globalization.
- The new globalist circumstances, it was claimed, required new national attributes, renamed as *opportunity*, due to factors no longer in control of the nation.

Anthropomorphic features: Discursively, the most important anthropomorphic feature of the global market is that it makes judgements. For example, the then Opposition Leader, Andrew Peacock berated Treasurer Keating for calling into question the market's *judgement*. We respect the decision that was taken. Australia has been, he said, 'constantly under the spotlight of the international markets as they made their decisions'. Because market judgements are considered infallible, to question them borders on impertinence. For example, Howard scoffed at Prime Minister Hawke for having 'the nerve and the gall to say that financial markets in Australia had been behaving in an irrational way'. This infallible crypto-human entity also has the power to punish. If the market does not like a performance, its judgement is backed with punitive powers, according to a Conservative frontbencher, who said that the market has passed judgement on the government's wages policy by 'selling Australian dollars hand over fist'.

The human element of market decisions is occluded ironically by anthropomorphizing the abstract notion of the market. These human features include judgement and sentiment; but the market also has the attributes of scientific principle (infallibility, replicability). Thus, the abstracted phenomenon eliminates people, but paradoxically has human attributes itself.

Revealing flaws: Like technocratic discourse, globalist discourse presents an ontological reality that cannot be resisted: a grim 'reality'. For example, Trade Minister John Dawkins, when floating the Australian dollar, asserted that we were going to 'live in the

harsher reality of the real world'. Images such as the 'spotlight'; 'having to live in the real world'; and 'the harsh light of international competition' abound. What this light revealed, according to the Labor government, was an inward looking manufacturing industry, shielded from international competition.

Globalism and the market conflation provide a new 'challenge': By adopting the market mechanism as a feature of the international, rather than the national, economy and therefore something that was inevitable and unavoidable, the Labor government represented itself as being forced by the international community to accept market economics. Trade Minister Dawkins, for example, claimed that 'We are trying to establish the circumstances in which Australia can benefit from the new improved international competitiveness which now exists in the economy.' Thus competitiveness became an imperative acknowledged by both sides.

In Australia, this new competitiveness was to be achieved primarily through lower labour costs and the devalued dollar; not through more enterprising and innovative management; or enhanced infrastructure; or research and development for these were discursively precluded. It is as though the government simply followed a formula that transcended government volition.

New national attributes: The new set of circumstances and the performance measures they brought required specific national attributes. This is renamed as an *opportunity*. The most important of these is the level of wages. Trade Minister Dawkins explains the new circumstances: 'Australia needs to take advantage of this new opportunity to ensure that it can begin to reverse its international performance and to strengthen its performance in every way that it can.'

The conservatives automatically equated international competitiveness with lower wages for workers. Deputy Opposition Leader, John Howard saw it quite clearly: 'If the gains to our import competing industries and our export industries are to be retained, it is imperative that those industries not pay the additional burden of full indexation of their employee's [sic] wages.' Drawing on the now bipartisan Profit-Investment-Job (can't have jobs if there's insufficient profit to re-invest) rationale, Howard argued that 'if we have a future increase in wages on the basis of past

productivity...we will erode the present level of company profitability and, therefore, interfere with employment levels.'

The crude simplicity of neo-classical economic discourse focused on the micro-economics of the factory, particularly wages. Profit share was excluded from debate by the Profit-Investment-Jobs doxa. However, Stretton (1987: 12) reminds us that 'Competition may extinguish inefficiency but it does not create efficiency.' He argues that, to revive manufacturing industry, a government needs to support it with adequate public infrastructure and services, research and education, technological transfer services and, where appropriate, public manufacture. However, Labor never challenged this neo-liberal orthodoxy. At the time of the 1985 currency crisis, Industrial Relations Minister, Willis, stated:

the devaluation provides an opportunity for this country...which should be seized. This government had in place a wages policy which can ensure that we can seize that opportunity... Devaluation certainly means a reduction of the real income of a country, but...if we handle the matter correctly that can become a basis for considerable growth in the future. We will handle it appropriately through the wages policy.

In the 1985-86 Budget Treasurer, Keating rejected an agreed inflation adjusted wage increase so that Australia could be more internationally competitive.

WHY GLOBALIZATION WAS BAD FOR AUSTRALIAN WORKERS

The Accord was claimed as a considerable economic success by the Labor government. Morris (1989: 364-5), the Industrial Relations minister, in an address to the 1989 ACTU conference identified the achievements as:

- 1.5 million new jobs between 1983 and 1989
- inflation significantly reduced to below world levels
- a 'social justice' strategy for those outside the workforce
- compulsory superannuation coverage for the whole workforce
- extensive (re)training for the workforce
- greater employment opportunities for women

- improved occupational health and safety standards
- termination and redundancy benefit improvements
- lower industrial disputation.

On the other hand, the reform agenda of both the Labor and Conservative governments could be seen as a failure. Green (1998) identifies the inherent contradiction of the current stop-go policies based on market economics as the cause of this failure. That is, each time that demand expands in Australia, unsustainable increases in the current account deficit also occur. This forces the government to attract larger capital inflows with higher interest rates, which also slow expansion. Battin (1996: 112) agrees, saying that this stop-go policy binds Australia into a continual cycle of inconsistent policy measures. Every time there is a good economic indicator (GDP rising or unemployment falling), there are calls for anti-inflationary brakes, particularly reduced government expenditure and increased interest rates. Yet, as Green (1998: 2) says, 'we have become so accustomed to the danger of excessive demand that we no longer appreciate the danger of its opposite: inadequate demand.' Of course, Treasurer Keating relentlessly pursued such policies throughout the latter half of the 1980s causing Australian interest rates to rocket above 20 per cent. At no stage did he consider government intervention to promote import replacement of those items most often imported, like capital items and electronic consumer goods.

Instead the Hawke and Keating Labor governments adopted a 'small government' withdrawing from welfare assistance, public utilities, and government enterprises. Despite the success of the Car Plan and the Steel Plan, the Labor government did not extend this mild socialist planning to other sectors. Instead, it depoliticized this issue by technocratizing its discourse and practice. Deregulation, privatization, and small government were justified as coming to terms with the 'real world' of globalization and competition.

Trade unions short-changed in trade-off: The most significant loss for the trade union movement was Labor's abandonment of full employment as a commitment, replaced by a vaguer commitment to 'jobs' or 'job creation'. Full employment was not identified once in the 1990s by the Labor government, except in the December 1993 Green Paper, *Restoring Full Employment*, which had

insufficient time to be implemented in any case (Quiggin, 1997a). Another important loss was 'security', which was supplanted by the discourses of 'flexibility' and 'enterprise', terms that were combined to form 'enterprise flexibility' introduced by the government in 1994. By allowing the employer to negotiate directly with the employees, with or without union involvement (*Research Manual of Industrial Law*, 1997: 27, 574), this new system no longer quasi-judicially incorporated trade unions into the social and legal fabric of the nation. This ended a significant democratizing feature of Australian society.

Withdrawal from planning: Labor's withdrawal from planning in the high value-added domain of manufacturing is especially puzzling, given that employer and employee organizations in the metals industries understood and accepted the importance of government intervention in directing industry policy. The MTIA, the employers body, called for investment in such industries, while the Amalgamated Metal Workers Union had urged a National Economic Development strategy to 'strengthen our tradeables sector, particularly our manufacturing industry' (Green, 1998: 3). The Australian Manufacturing Council countered the Garnaut Report, recommending greater deregulation, with the Pappas, Carter and Evans Report, arguing for more intervention. The Pappas Report advocated 'government intervention at a firm or industry level – through tax breaks, incentives, research and development, trade deal, partnerships – to help build a series of major export-orientated firms' (Kelly, 1994: 676). Clearly, significant sections of Australian management and ownership would have welcomed more government intervention. Yet the Labor government failed to take up the challenge of identifying and assisting the development of these high value-adding industries.

Manufacturing decline: The Australian trade union movement entrusted the Hawke Labor government with the task of transforming the production and industrial relations culture of Australia. Crucial to the initial agreement, Accord Mark I, was a tripartite socialist strategy intended to achieve full employment through government planning and intervention. Unions would act responsibly by not pursuing sectional claims, and by accommodating change and restraint. Such an agreement assumed

that owners of capital would commit themselves to resolving the 'crisis' by relinquishing some of their power as the union movement had done by foregoing wage increases and accepting compulsory contributions to superannuation.

Unions supported workplace change. The major impediments to change, according to an AWIRS survey conducted between October 1989 and May 1990, were, in order, lack of money or resources (29 per cent), management or organization policy (20 per cent), unions (14 per cent), government rules and regulations (12 per cent), and awards (7 per cent) with 20 per cent in the 'other' category (Dabscheck, 1995: 92). Even when resisted by unions, change was rarely precluded (91), a conclusion supported by Rimmer and Watts (1994: 76). However, change did not always bring benefits. Despite Australian auto workers providing the biggest falls in net hourly earnings between 1981 and 1988 (along with Sweden), the post-Fordist benefits did not ensue for them (Bramble, 1993). While Australian productivity had improved, the relative international gap in car manufacture time was still considerable in 1989 (Australia 36 hours; Europe 22.7; US 19.6; Japan 13.2).

The fundamental flaw in the Accord approach appears to be the assumption that capitalism would be prepared to make the same civic-minded sacrifices as the union movement. In general, the union movement adopted post-Fordist policies which claimed that economic recovery would come about by enhancing productivity 'through increased skill levels, autonomy and responsibility for workers, achieved in an environment of worker-management co-operation' (Harley, 1995: 117). The 1987 ACTU/TDC document, *Australia Reconstructed*, shows that the union movement was concerned not just with distribution of production as it offered to work within progressive new management and production techniques. The labour movement believed in the predicted prosperity that would come as capitalist production was re-organized and labour was empowered (Harley, 1995: 118). During the 1980s Australian interventionist advocates (including Dow, Clegg, Boreham, Ewer, Mathews) proposed a manufacturing strategy that socialized investment decisions through tripartism at the macro level, and promoted post-Fordist production methods at the micro level (see Flew, 1989). Thus Mathews (1988, 1989), one of the more optimistic advocates, claimed that it was possible to

have a 'post-socialist paradigm' centred on democratized social institutions (1988: 54). By reducing or dismantling 'rigidities' in the productive process, these progressive industrial optimists claimed that Australia could enter the 'emergent post-Fordist technocratic paradigm' (Mathews, 1990: 34; see Badham and Mathews, 1989).

The Structural Efficiency Principle set down in the August 1988 National Wage Case was intended to give effect to this post-Fordist workplace. It advocated career paths, multiskilling, new wage relativities, increased flexibility, and new classification structures in awards. However, management, it now appears, used this principle to reassert a narrow managerialism to minimize labour costs, while the unions were looking to enhance Australian industry by boosting productivity (Curtain and Mathews, 1992).

New management techniques were used by some more successful firms to enhance their productivity by upgrading the skills and capacities of their workforce, and by restructuring management processes and the organization of work (Mathews, 1990; Skinner, 1988). Although real productivity improvements came from changes in management policies using 'incorporation strategies rather than award changes' (Fells, 1993: 273), Australian management practices in the 1980s were primarily outdated, directed mostly to cutting labour costs 'rather than...long-term strategic planning or development of human resources' (Mathews, 1990: 31). Because award restructuring 'left management goals, organisation and processes untouched' (Fells, 1993: 268), there was a strong perception among workers that 'award restructuring was a process of enabling the company to "take away" conditions for very little in return' (p.269).

Even within the logic of capitalism, Australian capital performed badly during the Hawke and Keating years. The Karpin Report, *Enterprising Nation*, shows that Australian management is less well educated, less skilful and less knowledgeable than their overseas counterparts (Karpin, 1995: 35). Furthermore, it points out that in 1992 Australia had the least significant manufacturing sector of ten industrialized nations including Canada, Sweden and the Netherlands: Australia's manufacturing contributed 16 per cent to GDP, while the ten-nation average was 26 per cent (highest, 38 per cent in Germany). Although Australia's GDP grew an average 2.7 per cent per annum in the 1980s, manufacturing growth was 1.7

per cent and its sectoral share dropped by 1.7 per cent to 16.7 per cent of GDP in 1990-91 (Anthony, 1993: 49). Because, in capitalist production, power and resources are deployed, and investments made, by the owners/managers, the forces that determine the limit of productive work are quite often 'outside the control of the individual worker' (Fells, 1993: 264). Consequently, capital must shoulder much of the blame for Australia's continuing poor manufacturing performance. Although both the Labor government and the trade union movement accommodated the interests of capitalism, especially increased profit share, Conservative criticism did not abate, suggesting that capitalism's profit imperative is insatiable and unrelenting.

Union membership: Union membership fell in absolute and relative terms during the course of the Labor government (Singleton, 1990: 187). In 1992, only 39.6 per cent of the workforce was unionized (Dabscheck, 1995: 121). Some industrial relations analysts such as Kenyon and Lewis (1997) argue that the centralized wage-fixing system distanced members and produced limited returns for them. Furthermore, unions were unable to adapt quickly to the decentralized system because their structure and culture had been built around a strong centralism (especially in the most recent times).

Clearly, if unionism is to be, and appear to be, beneficial to the average worker, its legitimacy needs to be bound into the plurality of sectional interest and the communality of nationhood. By this I mean that the right of trade unions to advance working-class interests, especially in times of considerable change, must be strongly defended. A 1997 OECD report shows that highly unionized areas were associated with less downgrading of work and employment in the UK and the USA during the times of greatest restructuring (Harcourt, 1998: 5).

Inequality: Inequality increased during Labor's reign. Nevile (1995: 13) asserts that there 'is no doubt that income distribution became more unequal in the 1980s than it had been for several decades. Distribution of disposable income (allowing for social security payments and tax) moved modestly to greater inequality between 1981-82 and 1989-90. The worst conclusion is that the slide was 13 per cent (using equivalent private income as the

measure), and the best conclusion is that the slide was 6 per cent (using equivalent disposable income with no exclusions as the measure) (Nevile, 1995: 16). Importantly, Nevile concludes that the 'major forces causing increases in inequality occurred in the market-place, not in the tax and social security system which moderated the increase in inequality' (p.17). As an indication of the growing inequality, the average income of couples with children in the top 20 per cent of that cohort rose 14 per cent, while that for the bottom 20 per cent rose by 3 per cent, less than the inflation rate. Saunders (1993), too, argues strongly that neo-classical economics has increased inequality in Australia. These findings are consistent with overseas evidence about the effect of market forces on inequality (see Karoly, 1993, for the effect of the Reagan years on inequality).

At a national level, globalization can impact adversely on workers in three ways, according to an OECD (1997) report on global employment: by substituting capital for labour in industrialized countries; by outsourcing to cheap labour countries; and by relocating firms from high to low wage countries (see Harcourt, 1998). In Mexico the costs of globalization fell most heavily on low-income families (Argy, 1998a; Thurow, 1996: 1). Combined with economic rationalist doctrine, globalization has forced governments to adopt market-friendly policies that disadvantage the most marginalized and low-paid in our society, says Hamilton (1997).

Postmodernity, therefore, does not alter the relationship of capital and labour, it simply shifts it into a new mode: 'Postmodernity does not end conflict between capital and labour, it simply redirects power in favour of multinational capital and against the peripheral workforce, which is the predominant feature of a international division of labour' (O'Brien, 1992: 328).

Chronic balance of trade problems: Because Australia's manufacturing base did not mature to the extent necessary to provide extensive skilled employment opportunities, or to alter its trade mix, the country remains heavily dependent on the volatile resources sector to keep its Balance of Trade from becoming a complete disaster. Fortunately, tourism, a predominantly low-skill industry, provides another major source of import revenue. This makes the country vulnerable to protectionist agriculture policies

and to world production levels. For example, the Asian economic crisis caused Australian miners to cut back production levels. In 1999–2000, Australian miners will slash their investment level by 42 per cent, driving the Australian business investment climate to its lowest ebb in 15 years (Aylmer, 1999a).

In the light of the 1996 OECD Report *Technology and Industrial Performance* which says that 'competitiveness in high-technology industries is driven mainly by technology factors and much less by wage and exchange rate movements, while the reverse is true in low-technology industries' (Green, 1998: p.4), it would seem that Australia's wage fixation was inappropriate. Consequently, Australia now relies more heavily than before on speculative capital flows into such areas as property and foreign takeovers of indigenous companies to achieve appropriate balance of payments levels.

Loss of integrity of the state: At an international level, economic globalization fragments the state. Bauman (1993: 232) claims that nation-states

police orderly conditions in localities that increasingly become little more than transit stations in the world-wide travel of goods and money administered by the multinational (more correctly: non-national) companies.

Luke (1996) asserts that the impact of globalized information technology is to produce shifts that 'split cultures, economies, and societies between the demands of nominal nationality and actual transnationality' (p.127).

REVIEW OF IMPLICATIONS

Reconstructing the Worker-Subject

The modern worker in this new order is now 'understood and targeted as an active participant in the activity of work, not merely as an instrument of production but as a human being realizing his or her self through work, or as a democratic citizen with certain capacities and rights' (Miller and Rose, 1995: 430). The Business Council of Australia's (BCA) 1987 document, *Towards an Enterprise Based Industrial Relations System*, sought 'a fundamental re-orientation of the system' (in Dabscheck, 1990: 3). In particular,

it wanted the industrial relations system to move away from one largely focused outside the enterprise, and adversarial in nature, to one which was centred on the enterprise. Such a move, they argued, would develop mutual trust and interest, strengthening the relationship between employers and employees. A spate of new wave management books in the 1980s, such as Dertouzos, Lester and Solow's (1989) *Made in America: Regaining the Productive Edge*; Kanter's (1989) *When Giants Learn to Dance*; Peters and Waterman's (1982) *In Search of Excellence*; and Hickmann and Silva's (1985) *Creating Excellence: Managing Corporate Culture, Strategy and Change in the New Age* similarly advocated a new entrepreneurialism that was to be instilled in the workers, not just management. Such a world view eliminates notions of class interest by assuming the mutuality of employer and employee interest.

Managers who instil an appropriate 'culture' into workers (DuGay, 1996) use an 'ensemble of norms and techniques of conduct that enables the self-actualizing capacities of individuals to become aligned with the goals and objectives of the organization for which they work' (p.41). By linking the individual worker to the enterprise, the interests of capitalism are better served because workers align personal goals with ideals of individualism rather than those of group solidarity as workers (Miller and Rose, 1995: 453). These combined discourses of globalism, market economics, and enterprise achieved a link between the global economy and the national interest, and aligned the national interest with individualism and enterprise. Through individualism and enterprise, the individual would, putatively, achieve self-fulfilment. (see DuGay, 1996: 56-7; Wood, 1989). Maintaining class solidarity would be highly improbable within this culture. Miller and Rose (1995) argue that we should treat very cautiously this vision of the new worker identity that is constructed in a global production context which prioritizes 'responsiveness to customer needs'. It is possible, even probable, that such a reorganization of production regimes 'could well rebound harshly on those who are called upon to give so much more of themselves in their work' (p.459). By aligning with the goals of the workplace through 'enterprise', other forms of alignment through class, gender or ethical disposition are occluded.

The BCA saw enterprise and unionism as antithetical. Their 1989 industrial relations policy document, *Enterprise Based Bargaining Units: A Better Way of Working* (1989), claimed that the

'biggest single industrial relations impediment to more efficient competitive Australian workplaces is the antiquated structure of our trade union movement... Ideally what is needed is one bargaining unit at each workplace' (Dabscheck, 1990: 2). The BCA proposed to 'jettison' the current industrial relations approach because it rested on 'the outmoded assumption of conflict', and to replace it with 'employee relations' (Dabscheck, 1990: 3). Although the likely purpose was 'to undermine the collectives that workers have traditionally used to defend and advance their rights and interests at the workplace - namely, trade unions' (Dabscheck (1990: 4), the Labor government assisted this process by replacing centralized setting of wages and conditions with enterprise bargaining at the individual workplace. Forcing unions to abandon almost a century of strong centralized wage fixing and to move to a 'voluntarist tradition of collective bargaining' (Littler, Quinlan and Kitay, 1989: 510), the government allowed employers to take advantage of the 'comparatively under-developed industrial relations structures and processes at the workplace' (Littler, Quinlan and Kitay, 1989: 510). By the time of Accord Mark VII (1991) award setting had moved almost entirely to the workplace, or enterprise. The Textile Clothing and Footwear, the Liquor and Hospitality, and the Miscellaneous Workers unions complained to the ACTU that they had difficulty negotiating with employers (Dabscheck, 1995: 107). Evidence from OECD countries supports the claim that women workers are more advantaged by 'strong institutionalised regulation of the labour market' (*Directions in Government*, June 1993: 32). Perhaps the most damaging aspect of enterprise level bargaining is that wage levels could now be determined by the very poorest or the most venal small business. Finally, as Battin (1996) points out, whereas centralized wage fixing allowed the social wage to be implemented by governments, under enterprise bargaining this is less possible.

The 'enterprise focus' produces three major negative impacts, according to O'Brien (1992). First, it induces award-free and union-free industries and workplaces using company unions or staff associations as bargaining units. Second, at the enterprise level, individual employees or groups of workers would be more vulnerable to a determined employer assault than is possible with awards and union surveillance. This prediction seems to be borne out in a survey of Industrial Commission findings in 1997

('Enterprise Flexibility Agreements' in 1997 Research Manual of Industrial Law CCH Australia: 27, 754; 27, 811; 28, 001; 28, 003) which identified instances of inadequately consulting employees; presenting agreements on a take-it-or-leave-it basis; lack of informed consent; inadequate notification; coercion; and refusing union entry. Third, unions would be left to defend members as individuals, and not as part of wider collectivities (O'Brien, 1992: 327-332).

Who's Flexible Now?

While workplaces may work more effectively if they are flexible, as Harley (1995) believes to be so, it appears that the whole weight of flexibility during these years fell almost exclusively on the labour force. However, as Stegman (1993) points out, there is an enormous structural inflexibility in the Australian economy which seems to be accepted as a given in orthodox conservative analyses. The high interest rate policy used by Keating as Treasurer in the 1980s and culminating in 1990 was an 'appropriate' contractionary monetary policy to deal with the rising current account and balance of payments deficits because of the 'inability of a national economy, with an inflexible propensity to import, to sustain high domestic growth without commensurate growth in the value of its exports' (Stegman, 1993: 53). Such is the case in Australia. It is unable to produce large capital items, and Australian consumers in more prosperous times often produce import increases above the level of GDP growth. For example, in the nine months to March 1999, Australian goods imports rose by 9.3 per cent while the economy grew by less than 5 per cent (Aylmer, 1999c).

The crucial element here is why this inflexibility occurs. One important reason is that when producers do increase investment, it invariably raises imports, because Australia is a poor producer of capital equipment, thereby damaging the balance of payments. It might be argued, then, that a way to reduce this major structural form of inflexibility would be for the government to intervene in the economy, as it did successfully with the Steel Plan and the Car Plan, to produce capital equipment in Australia, thereby reducing its dependency on imports. Yet such a possibility seems to be ideologically excluded.

Within the workplace, labour flexibility 'is not the sole precondition for improved performance'; other factors such as

adequate levels of capital investment, new production techniques, and a properly resourced strategic and participative management role are also required (Green and Macdonald, 1991: 566; see Bramble, 1988). Of the seven types of flexibility identified in the nationwide AWIRS survey (Harley, 1995: 31-76), Australian management generally adopted the least sophisticated form of flexibility (Harley, 1995; Green and Macdonald, 1991). Pay flexibility, which allows the level of pay to be varied to reflect supply and demand in the external labour market, is one such form. Two other forms of unsophisticated flexibility used by Australian management include working time flexibility (altering start/stop time; limiting overtime; early/late retirement; flexible annual leave), and numerical flexibility (allowing management to employ people as conditions dictate). More effectively, functional flexibility, which allows management to redeploy employees quickly between various activities, was used extensively and accepted by the trade union movement. However, there was little evidence of widespread use of more sophisticated flexibility devices such as product innovation; technical organizational flexibility which considers the workplace as an integrated productive unit utilizing flexible systems of purchase and inventory (for example, JIT); and procedural flexibility (decision making procedures; mechanisms for introducing change).

In other words, Australian management in general took advantage of the changed power relationship between labour and capital, as Kalecki (1943) has suggested is the norm, to force labour costs down through contracts and casual/temporary employment. Australian management showed little propensity for the cooperative, sharing strategy advocated in the BCA documents. By 1991, it was evident that managers had the degree of flexibility that they needed under the currently operating award system. Only 6 per cent of managers identified the award system as a barrier to change, while 57 per cent saw no barriers to change at the workplace. In fact, the greatest single barrier (19 per cent) to change is identified as technology or resources (Green and Macdonald, 1991: 579). We have to ask then why the demand for greater labour flexibility monopolized political discussion at this time given its low priority by workplace managers. Furthermore there is inconclusive evidence to support the proposition that 'workplaces facing overseas competition...and workplaces with

lower union density were more likely, other things being equal, to carry out the reforms in question' (Nunes, Crockett, and Dawkins, 1993: 86).

Increased flexibility, as a rule, negatively affects workers' lives. For example, flexible working hours cause difficulties for parents faced with inflexible child care and school hours. As a result, women are more likely to be negatively affected in many cases. As well, higher levels of peripheral employment are 'overwhelmingly associated with negative outcomes for labour': low pay levels, lack of security; low skill formation and worker autonomy (Harley, 1995: 73). Thus, as Harley (1995: 72) points out, making a workplace more flexible will involve issues about the relative power of capital and labour. Positive outcomes for labour are those that involve training, autonomy, worker input to decisions, presence of trade unions, and consultative procedural flexibility, little of which manifested during this time.

Challenging the Orthodoxy

Although neo-liberal policy makers assume that globalized market mechanisms are self-evidently good for the economy, there is a growing number of economists who are expressing considerable reservation about its global impact. Paul Krugman of MIT, for example, is advocating that Asian economies place restraints on capital movements and that the world markets – assumed to be infallible by Australian political parties in the 1990s – simply got it wrong (see Krugman, 1998). In Australia, Argy (1998a, 1998b), Quiggin (1996; 1997a, b, c, d; 1998), and Green (1998) are three notable economists who are expressing not just reserve, but in some cases outright opposition to the market-based, deregulated operation of global markets. According to Argy (1998a; 1998b), the Asian crisis was caused by 'an orgy of imprudent, exuberant lending...investment fund managers...[who] were driven by herd instinct, greed, and stupidity...and a complete somersault' by international credit rating agencies (1998a: 1). Korea's lack of government regulation of the banking sector exacerbated the problem induced by globalized capitalism, whereas countries with more pro-active industry policies involving government intervention such as Taiwan, Singapore, India, and China have survived better than those economies that do not have such policies. Stewart (1990: 120–21) shows how the level playing field

in a TNC-dominated information sector greatly disadvantages Australia.

The phenomenon of globalization was discursively construed through technocratic discourse and neo-classical economics to render opposition passive and ineffectual. Technocratic discourse, I argue, is the most effective discursive means of maintaining hegemonic control because it seeks to obtain 'acceptance of its values and ideology by all classes, even though they serve only its own interest in maintaining its dominance' (Lemke, 1995: 78). Neo-classical technocratic discourse engenders a type of 'conformism which is a facet of technological rationality translated into social behaviour' (Marcuse, 1968: 77). Saul (1997) understands the effect of this discourse in a similar way, as producing social passivity induced by 'the archetypes, the eternal myths, the unchangeable. Instead of giving them a new sense of power, the explanation gives comfort to passivity – particularly public passivity – facing with reigning ideologies' (pp.54–5). If Australia is to pursue a globalized civil society which is jointly constructed taking account of internal and external tensions and relations (Waterman, 1998: 227), then the Labor Party needs to be dialectical, not monologic. Through this dialectical encounter Labor needs to ask whose economic interests are being served by acquiescence,⁹ and whether this is appropriate for such hybrid economies as Australia.

NOTES

1. Throughout this essay, I will refer to the Labor governments as the Hawke-Keating governments. Paul Keating was Treasurer for most of this time. He resigned as Treasurer in 1991 following a public dispute with Hawke and sat on the backbenches until he defeated Hawke in a party room ballot later in December 1991. In 1993, Keating won the 'unwinnable' election against Liberal opponent, Dr. John Hewson. However, Keating suffered a landslide loss to the Liberals led by John Howard in March 1996.
2. Statement by National Farmers Federation Industrial Director and H.R. Nicholls Society member, Paul Houlihan.
3. References taken from the Accord document and parliamentary debate are not referenced. They have been drawn from McKenna (1999).
4. Argy (1998b) refutes this strongly.
5. This is taken from McKenna (1999).
6. In a wider sense, it includes engineers, IT specialists, and applied scientists.
7. Notice that Keating's adoption of neo-classical economics and liberalism is now so complete that other neo-liberals are able to intertextually draw on him.
8. Unfortunately, critical commentary is still very marginalized. Those critical of the effect include the recently deceased anti-communist campaigner, B.A. Santamaria, the Australian Democrats, some leftist economists such as J. Quiggin and R. Green, and ageing reformers such as H. Strertron.
9. Hutton's (1996). *The State We're In* and Thurow's (1996), *The Future of Capitalism* are

examples of the many attempts to acknowledge the limitations of Keynesianism in the new social circumstances, but which questions the effect on the social fabric of neo-liberal economics. Ex-Canadian Prime Minister, Paul Hellyer (Garrett, 1999), also maintains a world wide campaign against the negative impacts of globalization.

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